

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT) CASE NO.
FILING OF CITIPOWER, LLC) 2015-00177

ORDER

On April 3, 2009, the Commission issued an Order in Case No. 2008-00392¹ approving certain adjustments to the rates of Citipower, LLC (“Citipower”) and providing for the further adjustment of such rates under certain conditions in accordance with the provisions of Citipower’s Purchased Gas Cost Adjustment Clause.

On June 1, 2015, Citipower filed its Gas Cost Recovery (“GCR”) rate application to be effective July 1, 2015.

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Citipower’s notice proposes revised rates designed to pass on to its customers its expected change in gas costs.

2. Citipower’s proposed Expected Gas Cost (“EGC”) is \$4.3875 per Mcf, which is an increase of \$.3517 per Mcf from the prior EGC of \$4.0358 per Mcf. Citipower’s average 12-month EGC is based in part on the expectation that it will need to buy gas at a higher-than-normal price from Citizens Gas Utility District (“Citizens Gas”) during periods of high usage in cold weather. Citizens Gas’s volumes are priced using current price projections as of May 2015. The EGC is otherwise based on

¹ Case No. 2008-00392, *Application of Citipower, LLC. for Rate Adjustment for Small Utilities Pursuant to 807 KAR 5:076* (Ky. PSC Apr. 3, 2009).

Citipower's expected cost of gas from its primary supplier, Citigas, LLC ("Citigas") [an affiliate pursuant to 278.010(18)], using the New York Mercantile Exchange Natural Gas 12-Month Strip rate for June 2015.

3. Citipower's notice sets out no Refund Adjustment.

4. Citipower's notice sets out a current quarter Actual Cost Adjustment ("ACA") of \$.3890 per Mcf. Citipower's total ACA is \$.3119 per Mcf, which is a decrease of \$.0140 per Mcf from its previous total ACA of \$.3259 per Mcf.

5. Citipower's notice sets out a current quarter Balance Adjustment ("BA") of \$.0002 per Mcf. Citipower calculated its BA to reconcile only the expired \$.0007 per Mcf BA factor from Case No. 2014-00071² and did not include the expired ACA factor of (\$.0010) per Mcf from that same case. Citipower's corrected current quarter BA is (\$.0087) per Mcf. Citipower's corrected total BA is (\$.1511) per Mcf, which is a decrease of \$.0305 per Mcf from its previous total BA of (\$.1206) per Mcf.

6. Citipower's corrected GCR rate is \$4.5483 per Mcf, which is an increase of \$.3072 per Mcf from the previous GCR rate of \$4.2411 per Mcf.

7. To aid in the Commission's review of Citipower's applications, Citipower should submit all invoices it receives from Citigas and Citizens Gas when it files its GCR rate applications.

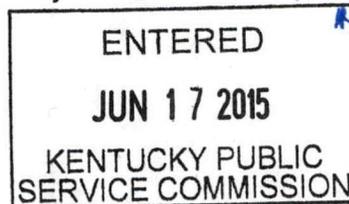
8. The rates set forth in the Appendix to this Order are fair, just, and reasonable and should be approved for service rendered by Citipower on and after July 1, 2015.

² Case No. 2014-00071, *Purchased Gas Adjustment Filing of Citipower, LLC* (Ky. PSC Mar. 30, 2014).

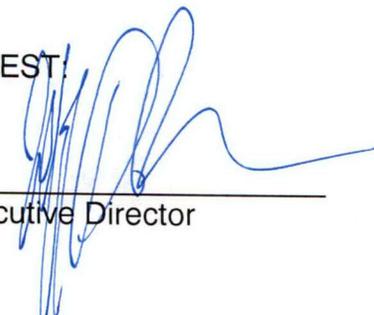
IT IS THEREFORE ORDERED that:

1. The rates proposed by Citipower are denied.
2. The rates set forth in the Appendix to this Order are approved for service rendered by Citipower on and after July 1, 2015.
3. Citipower shall submit all invoices received from Citigas and Citizens Gas as part of all future GCR rate filings.
4. Within 20 days of the date of this Order, Citipower shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2015-00177 DATED **JUN 17 2015**

The following rates and charges are prescribed for the customers in the area served by Citipower, LLC. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RESIDENTIAL AND COMMERCIAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Volumetric Rate	\$7.6492	\$4.5483	\$12.1975

The volumetric rate will apply to all Mcfs sold, subject to a minimum bill of \$5.00. In those cases where the usage applied to the volumetric rate results in an amount less than \$5.00, the customer will be charged the \$5.00 minimum.

INDUSTRIAL AND INSTITUTIONAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Volumetric Rate	\$6.6492	\$4.5483	\$11.1975

The volumetric rate will apply to all Mcfs sold, subject to a minimum bill of \$5.00. In those cases where the usage applied to the volumetric rate results in an amount less than \$5.00, the customer will be charged the \$5.00 minimum.

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